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New Fortress Energy restructuring

Cross-border agreement on "good forum shopping"

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New Fortress Energy (NFE), a Delaware-incorporated liquefied natural gas (LNG) infrastructure company, has become the latest US-based corporate group to restructure through an English Part 26A restructuring plan rather than a Chapter 11 case.

On June 18, 2026, the English High Court sanctioned two interconnected restructuring plans that will eliminate approximately US$9.6 billion of debt and implement a broader operational reorganization of the group. Just eight days later, on June 26, 2026, Judge Glenn of the US Bankruptcy Court for the Southern District of New York granted Chapter 15 recognition to the UK proceedings, clearing the path for enforcement of the restructuring in the US.

The NFE restructuring is notable not only because of its scale, but also because both the English and US courts effectively endorsed a deliberate migration to the UK restructuring regime in circumstances where creditors were expected to receive materially greater value than in a Chapter 11 case. In doing so, the courts further advanced the developing concept of what the English court described as "good forum shopping."

Background

NFE is a NASDAQ-listed energy company headquartered in the US that focuses on LNG infrastructure and related operations.

The company encountered significant financial distress following substantial cost overruns and delays across major infrastructure projects. As liquidity pressures intensified, NFE's market capitalization declined by approximately 91% over a 12-month period.

Against that backdrop, the company entered into negotiations with its financial stakeholders and ultimately secured broad support for a restructuring support agreement. The agreement was signed by 778 creditors representing approximately 97% of affected liabilities and more than 75% in value of each voting creditor class.

The restructuring contemplated a comprehensive deleveraging transaction that would be implemented through English restructuring plans and would eliminate nearly US$9.6 billion of funded debt.

Why did NFE choose the UK over Chapter 11?

For US restructuring practitioners, the most interesting question raised by NFE is not how a Part 26A plan works; it is why a Delaware company chose the UK regime in the first place.

The answer appears to be straightforward: value.

The evidence presented to the English court demonstrated that the restructuring plan was expected to generate approximately US$1.44 billion more value than the relevant alternative, which all parties agreed would be a Chapter 11 case. That value differential became a recurring theme throughout both the English sanction proceedings and the subsequent Chapter 15 recognition hearing.

The case also highlights several features of the UK restructuring framework that continue to attract attention from US debtors and creditors.

Most notably, English restructuring plans are not constrained by the absolute priority rule that remains a defining feature of Chapter 11 practice. As a result, value can be allocated among stakeholders in ways that may be significantly more difficult to achieve in a US bankruptcy case.

The process is also generally more streamlined than a traditional Chapter 11 proceeding, involving fewer hearings, less court supervision and often lower administrative costs. While those considerations alone may not justify selecting a UK process, they become highly significant when combined with a demonstrably better economic outcome for creditors.

The restructuring

NFE implemented the transaction through two English-incorporated entities: NFE Global Holdings Limited and NFE Brazil NewCo Limited.

The latter entity was incorporated in England shortly before the restructuring. Its creation was not incidental. Rather, it formed part of the broader strategy for bringing a substantial portion of the group's restructuring within the jurisdiction of the English courts.

The restructuring is expected to:

- Eliminate approximately US$9.6 billion of debt
- Convert substantial funded debt into equity
- Issue approximately US$970 million of new debt
- Reorganize the group's operations into separate Brazilian and non-Brazilian businesses

Importantly, creditor support was overwhelming. Every creditor class approved the plans, and only a single creditor, representing approximately 0.1% of the affected debt, voted against them.

That level of support became a critical factor for both the High Court and Judge Glenn. This was not a contested restructuring imposed on reluctant creditors. Rather, it was a creditor-driven transaction that enjoyed near-unanimous support across the capital structure.

The emergence of "good forum shopping"

The most notable aspect of the English court's decision was its treatment of forum shopping.

Historically, courts have viewed attempts to change jurisdiction in anticipation of a restructuring with a degree of skepticism, particularly where the objective appears to be avoiding liabilities or altering stakeholder rights.

Mr. Justice Cawson acknowledged those concerns but drew a distinction between restructuring strategies designed to evade obligations and those designed to maximize value for creditors.

The court ultimately concluded that NFE represented a case of "good forum shopping."

That observation is likely to become one of the most frequently cited aspects of the decision. The court was fully aware that NFE had structured portions of its restructuring around newly incorporated English entities in a deliberate effort to access the Part 26A regime. Nevertheless, the court was willing to endorse that strategy because it was satisfied that creditors would receive a materially better outcome than under the realistic alternative.

The decision may, therefore, provide a roadmap for future US-based debtors seeking to access the English restructuring regime where there is strong creditor support and a compelling value-maximization rationale.

Chapter 15 recognition: The real test was in New York

While the English sanction hearing generated headlines, the more interesting question for many US restructuring practitioners was whether the restructuring would survive scrutiny in the Southern District of New York.

After all, NFE is not a UK company that happened to have some US creditors. It is a Delaware-incorporated, NASDAQ-listed business whose capital structure heavily comprises New York law-governed debt. If there was ever a case likely to test the limits of Chapter 15 recognition, this was arguably it.

Viewed through that lens, the recognition hearing was really a referendum on whether a US-based company can legitimately choose a UK restructuring plan over Chapter 11 when doing so produces a better outcome for creditors.

Judge Glenn answered in the affirmative.

What is particularly striking is what did not happen. There were no creditor objections. No class was forced to swallow an outcome it overwhelmingly opposed. And there was no suggestion that creditors were being deprived of value through the use of a foreign process. On the contrary, the evidence before both courts was that creditors were materially better off under the UK restructuring than they would have been in a Chapter 11 case.

That fact seems to have carried significant weight. Throughout the proceedings, the emphasis was not on whether NFE could have filed Chapter 11. The focus instead was on whether the UK process delivered a superior restructuring outcome. Once the answer to that question became clear, many of the traditional concerns associated with forum shopping appeared to lose their force.

The hearing also highlighted a theme that has been developing across several recent cross-border cases: courts appear increasingly willing to distinguish between forum shopping designed to manufacture leverage and forum shopping designed to maximize value. In NFE, the UK entities and restructuring architecture were plainly deliberate. Yet neither the English court nor Southern District of New York (SDNY) appeared particularly troubled by that fact because the restructuring had overwhelming creditor support and produced demonstrably better recoveries than the available alternative.

Perhaps the most important takeaway is what NFE may signal for future cases. For years, the assumption in many large-cap restructurings was that a US-based debtor with significant debt would inevitably end up in Chapter 11. NFE suggests the analysis is becoming more nuanced. If a foreign restructuring framework can deliver greater value, command near-unanimous creditor support and obtain Chapter 15 recognition, courts may be increasingly willing to respect that choice of forum.

Implications for US debtors

NFE joins Fossil Group and Argo Blockchain as recent examples of US-connected companies turning to English restructuring plans instead of Chapter 11.

Taken together, these cases suggest a developing trend. Both English and US courts appear increasingly willing to respect a debtor's choice of restructuring forum where:

- Creditors overwhelmingly support the transaction
- Creditors are demonstrably better off than under a Chapter 11 alternative
- The foreign proceeding provides robust procedural safeguards
- Chapter 15 recognition can ensure effectiveness in the US

The more compelling the economic case for using the UK process, the less concerned courts appear to be with allegations of forum shopping.

Looking ahead

NFE may ultimately be remembered less for the size of its debt reduction than for what it says about the evolving relationship between Chapter 11 and the English restructuring plan regime.

The English High Court's express endorsement of "good forum shopping," coupled with SDNY's willingness to grant Chapter 15 recognition to a restructuring involving a US-headquartered enterprise and New York law debt, sends a clear signal to the market. Courts on both sides of the Atlantic appear prepared to support cross-border restructuring strategies that maximize value, even when those strategies involve selecting a foreign restructuring forum over an available domestic alternative.

Whether NFE proves to be an outlier or the latest step in a broader migration toward Part 26A remains to be seen. What is clear, however, is that the English restructuring plan has evolved into a credible alternative to Chapter 11 for sophisticated US debtors seeking flexibility, efficiency and value maximization.

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